

*The Budget—Mr. Allard*

One must see that economic theories too often prove to be rational and that they grade problems too synthetically. They often remain too rigid and the results obtained often lead to a questioning of their standards.

Thus, when one says that to fight inflation it is necessary to reduce demand, restrict credit, take money out of circulation, restrain production and cut expenditures, and when, on the other hand, one suggests that to allay unemployment it is necessary to cut taxes and increase expenditures, the two problems are solved with more complexity than is used to state them, because several economic factors are little related and bring about conflicting results.

A realistic budget comes much more from the practical mind of a businessman than from theories held by academicians. To use an expression found in some provisions of the Civil Code of the province of Quebec, an able Minister of Finance must act as "un bon père de famille".

• (5:50 p.m.)

There are major problems in Canada and they must be faced squarely as soon as possible. Our main concerns are as follows: to provide work for all, welfare and security for everyone and to make the budget and the economy serve the individual. To this end, strong and immediate steps must be taken to increase our production capacity, improve our manpower, increase exports, develop our resources, fight poverty radically and ensure real economic balance.

In my opinion, the present budget of government is a collection of diverse, scattered and incoherent theories, it lacks dynamism and originality, it is a step backwards in the development of our country and, above all, it sacrifices to a doubtful economic balance the social, family and humanitarian needs of the Canadian people.

Inability to stimulate an increase in production and exports, indifference toward limiting our trade deficit, delay in establishing a strong manpower policy in co-operation with the provinces, too evident concern over keeping money concentrated in the hands of the little Canadian and foreign tzars, absence of an intelligent policy concerning the balance of payments, obstinate and shameful refusal to increase old-age pensions and family allowances, waste and maintenance of too heavy expenditures in national defence, neglect to establish a parliamentary committee and a national conference on constitutional and financial reform, increased taxes on the

income of the majority of people, all these grievances make this budget dull, apathetic, mediocre and disappointing.

The national budget of the hon. Minister of Finance for 1966-67 is a reflection of the inertia of a government which shows itself to be increasingly unable to deal with legislation in order of importance and to solve the administrative problems of the country.

During the Easter recess I talked with a great number of my constituents, and it is, unfortunately, a sad message that I bring back to the Minister of Finance, a message with which I fully agree.

In spite of the seriousness of the situation and the general disillusionment, if we want to inject a humorous note it would be appropriate, as is usually done in Ottawa, to draw inspiration from the United States and parody this budget by borrowing the tune from the Gillette Company, a U.S. firm:

To be sharp, to feel sharp, to look sharp;

Now, in Canada, we may add: to live sharp, to die sharp.

During the few minutes at my disposal I shall be unable to dwell on each of the decisions taken by the Minister of Finance. Therefore, I shall only deal with some highlights.

After all, the minister's stand is based on the following assumptions: the Canadian economy is operating at full capacity; due to inflation and to production having reached its peak, we must slow down the increase in demand, reduce public and private investments, contain production and restrict the money supply.

But should the minister be wrong in his assumptions, a good portion of his theory would collapse automatically.

I am not convinced that our economy is operating at its peak capacity. This opinion is shared also by the Economic Council of Canada. In December 1965, the said Council pointed out a gap of 3 per cent between present and potential capacity. Today, this gap would be 2 per cent. Therefore, there is a substantial margin which would force us to stimulate our economy and justify another expansionist budget.

It is easy to see that many industries are operating at moderate capacity—the minister should visit my bailiwick, the county of Sherbrooke, and the surrounding constituencies to see that this is true—and that a good number of workers could increase their efficiency.